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Attorneys for Oregon Potato Company

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In Re:

NORPAC Foods, Inc. [TIN 9330],
Hermiston Foods, LLC [TIN 3927], and
Quincy Foods, LLC [TIN 7444],

Debtors.

Case No. 19-62584-pcm11

LEAD CASE

(Jointly Administered with Case Nos. 19-
33102-pcm11 and 19-33103-pcm11)

**NOTICE OF TERMINATION OF ASSET
PURCHASE AGREEMENT**

On September 3, 2019, the above-captioned debtors (collectively, “Debtors”), filed an Amended Motion for Order Approving (A) Bid and Sale Procedures, Including Expense Reimbursement Fee, to Oregon Potato Company (“OPC”); (B) Sale of Assets Free and Clear of Liens, Claims, and Encumbrances; and (C) Assumption and Assignment of Executory Contracts (the “Sale Motion”) [ECF No. 83]. In the Sale Motion, Debtors requested an order approving the sale of substantially all of their assets to either (a) OPC, pursuant to an Asset Purchase Agreement, a copy of which is attached to the Motion as Exhibit A (the “APA”); or (b) a higher bidder following an auction in conformity with proposed bidding procedures described in the Sale Motion.

No other bidders made higher bids and no auction was held. However, on October 18, 2019, OPC delivered the letter attached as Exhibit A, notifying Debtors that OPC was not

satisfied with the results of its due diligence investigation and was therefore electing not to proceed with the asset purchase transaction and terminating the APA (the “Notice of Termination”).

The Sale Motion is set for hearing before this Court on Monday, October 28, 2019. After the Notice of Termination, OPC anticipated that Debtors would withdraw the Sale Motion, so that creditors and parties-in-interest would have formal notice that the Asset Purchase Agreement between Debtors and OPC had been terminated. To date, Debtors have not done so. It is OPC’s position that because the APA has been terminated, the Sale Motion is now moot and that there is no reason for the Court to hear or rule on the Sale Motion.

DATED this 25th day of October, 2019.

DAVIS WRIGHT TREMAINE LLP

/s/ Joseph M. VanLeuven
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October 18, 2019

Via Email: wmar@scpllc.com

Mr. Winston Mar
NORPAC Foods, Inc.
PO Box 14444
Salem, OR 97309-5012

Via Email: michael.fletcher@tonkon.com

Michael Fletcher, Esq.
Tonkon Torp LLP
888 SW Fifth Avenue, Suite 1600
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Re: Asset Purchase Agreement

Gentlemen:

NORPAC Foods, Inc., Quincy Foods, LLC and Hermiston Foods, LLC are hereby notified pursuant to Section 7.02(m) of the parties' Asset Purchase Agreement dated as of August 12, 2019 (the "Agreement") that Oregon Potato Company is not satisfied with the results of its due diligence investigation and is therefore electing not to proceed with the transaction. Pursuant to Section 9.01(b)(iii), the Agreement is hereby terminated.

Very truly yours,

Davis Wright Tremaine LLP

A handwritten signature in blue ink, appearing to read 'Joe VanLeuven', written over the printed name.

Joseph M. VanLeuven

JMV/kh

cc. Client